

Water and Light Advisory Board
December 6, 2007

A meeting of the Water and Light Advisory Board was held December 6, 2007 at 7:00 a.m. in the Utility Services Conference Room, 105 E. Ash. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Tom O'Conner, Member
Bob Roper, Member
Ernie Gaeth, Member
John Glascock, Water and Light Interim Director
Jim Windsor, Manager of Rates and Fiscal Planning
Mike Schmitz, Engineering Manager
Tad Johnsen, Power Production Superintendent
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Marilyn Thorpe, Administrative Support Supervisor
Stephanie Brown, Administrative Support Assistant II

Paul Hagey, Missourian Reporter
Win Colwill, League of Women Voters

APPROVAL FOR THE NOVEMBER 1, 2007 MEETING MINUTES: The November 1, 2007 meeting minutes were approved with amendments by voice vote on a motion by Ernie Gaeth and second by Bob Roper.

FINANCIAL REPORT:

a) Financial Update – The Board received the monthly financial statements ending September 30, 2007.

Water and Electric Utility combined operations reflect an operating income of \$13,713,092 for the year ended September 30, 2007; compared to an operating income of \$2,081,970 for the same period last year. This is an increase of \$11,631,122.

The Water Utility has an operating income of \$2,246,693 for the year ended September 30, 2007; compared to an operating income of \$2,472,346 for the same period last year. This is a decrease of \$225,653 in operating income.

The Electric Utility has an operating income of \$11,466,399 for the year ended September 30, 2007; compared to an operating loss of \$390,376 for the same period last year. This is an increase in operating income of \$11,856,775.

Operating revenues of the Electric Utility are up \$10,160,248 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are down \$2,751,559. Fuel and Purchased power costs have decreased \$4,906,866.

a) The Board also received the monthly financial statements ending October 31, 2007.

Water and Electric Utility combined operations reflect an operating income of \$1,392,860 for the month ended October 31, 2007; compared to an operating income of \$848,430 for the same period last year. This is an increase of \$544,430.

The Water Utility has an operating income of \$371,923 for the month ended October 31, 2007; compared to an operating income of \$210,563 for the same period last year. This is an increase of \$161,360 in operating income.

The Electric Utility has an operating income of \$1,020,937 for the month ended October 31, 2007; compared to an operating income of \$637,867 for the same period last year. This is an increase in operating income of \$383,070.

Operating revenues of the Electric Utility are up \$1,316,195 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$695,105. Fuel and Purchased power costs have increased \$642,878.

b) Jim Windsor said both September and October had SO2 sales which were counted under miscellaneous revenue.

Mr. Windsor explained the calculations of the minimum cash reserve and that two different methods are used which may yield two different figures. He said both methods are used to stay within range of the desired amount.

Mr. Windsor explained the Wind Energy Data sheet. He said the amounts are still not at projection but they are going up. Because of the fixed transmission cost; the more energy that is produced, the less the cost per MWH.

POWER PLANT REPORT

Tad Johnsen said that overall everything is good. There was a breaker at the power plant that caused an outage on December 5. The breaker would trip but would not close. Some minor work to the breaker had to be done to correct the problem.

A memo was distributed to the Board regarding a proposed amendment to the Sikeston Power Sales contract in reference to NOx and Mercury allowances. The Board approved the motion to send the recommendation to Council with Tom Baumgardner's motion and second by Mr. Roper.

ENGINEERING

Mike Schmitz said Emery Sapp and Sons was chosen for the bid for the 763 water main project because of a low cost and low construction time. He said he predicts that Lehman Construction Co. who gave the lowest bid but the highest number of construction days will protest. Mr. Schmitz also mentioned that there were several unique points about this project: 1) MoDOT will not pay for the relocation of the water main; 2) Lehman Construction Co. is not

happy with staff's recommendation; and 3) the recommendation went to Council before the Boards approval. Mr. Glascock recommended a motion to move forward with a contract with Emery Sapp & Sons, Inc. of which Mr. Baumgardner motioned and Mr. Roper made a second. It was approved by voice vote.

Mr. Schmitz said the Hillsdale pump station project will need an extension of time because compacted dirt and clay under I-70 had to be removed. This will need a \$65,000 to \$70,000 change order.

The 36" well line is done except for the tie in at the water plant. There will be a scheduled shut down of the plant some time in January.

WATER DIVISION REPORT

Floyd Turner said Shepard Tower is being painted and is shut down for blasting. Once the blasting is complete, the inside will be painted.

ELECTRIC DISTRIBUTION REPORT

Dan Stokes said there were 40 outages for November. The average is 31, but maintenance accounted for about 7 outages. He said the average outage time for an individual was 5 minutes and 42 seconds.

UTILITY SERVICE DIVISION REPORT

The Landfill Gas Plant's ribbon cutting ceremony will be December 18, 2007.

NEW BUSINESS

John Conway met with Bill Watkins, Margrace Buckler, and Tony St. Romaine to interview two consulting firms who will be assisting with the search for the new director for Water and Light. A nine person selection committee will assist the consultants.

OLD BUSINESS

The IRP Public meeting was held November 28. Mr. Schmitz said Kiah Harris of Burns and McDonnell is done with the background work of the process and is waiting for the task force's evaluations of the comments before moving ahead with the next step; the scope work. Comments by the public will be accepted until December 10. Connie Kacprowicz and Tina Worley will then compile a summary of the comments to present to the task force. The task force will meet December 13 at 5:30 p.m. to discuss the summary and possibly on December 18 to finish.

Next meeting date: January 3, 2008.

The meeting adjourned at 8:05 a.m.

Respectfully Submitted,